SOUTH DAKOTA NATIONAL GUARD MILITARY READINESS PROGRAM

Family Readiness Group Topics Covered

- FRG Informal Fund
  - Opening an Account
  - Maintenance of the Account
  - FRG Informal Fund Standard Operating Procedure
- Fundraising
  - Statutory volunteers
  - Gratuitous volunteers
- Donations and gifts

Family Readiness Group Informal Fund (Checking Account) **Opening an Account**

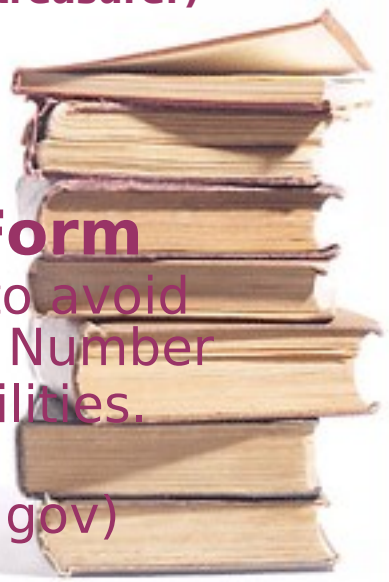
- Having an FRG Informal Fund is **optional**
- FRGs may open an informal fund (checking account) providing the following conditions are met:
  - Commander's approval, pg 38 Treasurer's handbook
  - Appoint a Treasurer and Alternate Treasurer (volunteers, not service members)
  - If you do not have an account, you do not need a treasurer/alternate treasurer

Family Readiness Group Informal Fund (Checking Account)

Opening an Account

Account conditions to be met continued:

- Account must be **non interest bearing**
- Have **two authorized volunteer signatures**
  (all checks must be signed by treasurer and alt. treasurer)
- FRG Informal Fund Standard Operating Procedure (SOP)



- **File Internal Revenue Service Form SS4** to obtain tax ID(EIN) number to avoid use of personal Social Security Number and potential IRS tax liabilities. (See Treasurer Handbook or log onto www.irs.gov)

Family Readiness Group Informal Fund (Checking Account)

Maintenance of the Account

- Account's use is limited to expenses consistent with the purpose & function of the fund as determined by the FRG & commander
  - Remember the FRG's purpose is not to raise money
  - FRG expenditures must benefit the entire FRG membership in some way

Family Readiness Group Informal Fund (Checking Account)

Maintenance of the Account

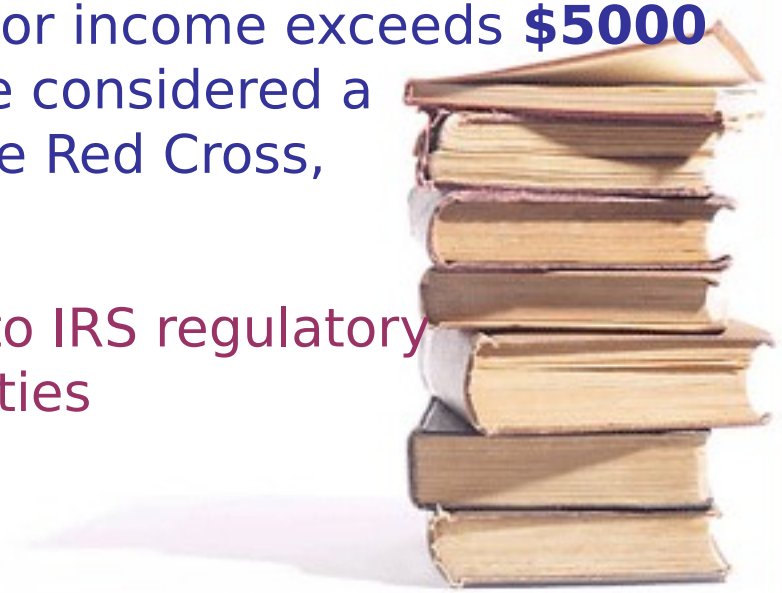
- FRG's account balance is limited to $5000 at any time as well as the FRG's **annual** income is capped at $5000

- Commander can not authorize increased funds (over $5000)

Family Readiness Group Informal Fund (Checking Account)

Maintenance of the Account

- If the account or income drops below **$5000** (after already reaching $5000 for the year), more funds can not be raised for the remainder of the year
- **Because** once the account or income exceeds **$5000 for the year**, it can then be considered a Private Organization (like Red Cross, Boy/Girl Scouts)
- **And** could then be subject to IRS regulatory requirements & tax liabilities



Family Readiness Group Informal Fund (Checking Account)

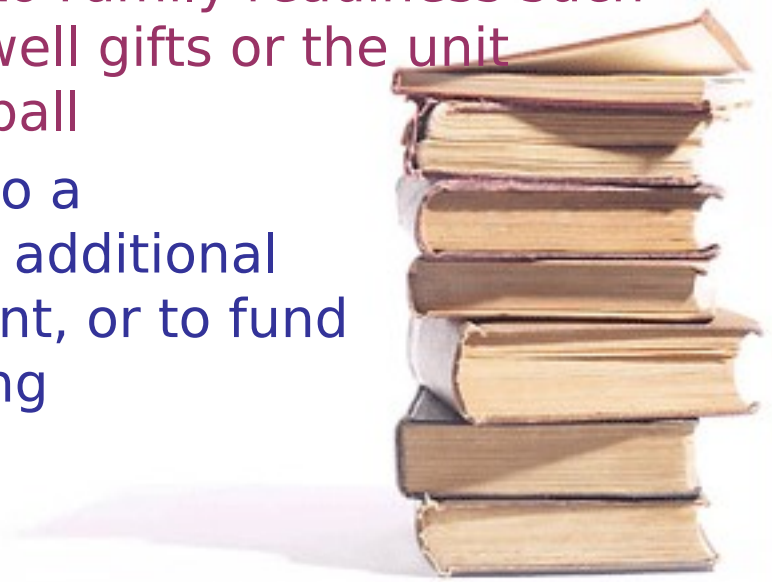
Maintenance of the Account

- FRG informal funds can not:
  - Augment other unit informal funds such as the unit's "cup and flower" fund.
  - Can not be deposited or mixed with personal or unit funds

Family Readiness Group Informal Fund (Checking Account)

Maintenance of the Account

- FRG informal funds can not:
  - Be used to purchase items or services which may be paid for with appropriated (military) funds
  - Or for items not related to Family readiness such as service member farewell gifts or the unit military ball
  - Funds can not be given to a military unit to purchase additional supplies, equipment, or to fund additional training



Family Readiness Group Informal Fund (Checking Account)

Maintenance of the Account

- Treasurer provides **treasurer's report** to commander, State Family Readiness Office and to the FRG families

  Non-deployed: Due annually by 30 Sep

  (Report can be requested more often)

  Deployed: Due Quarterly by mid month -

  (Mar, Jun, Sep, Dec)

Family Readiness Group Informal Fund (Checking Account)

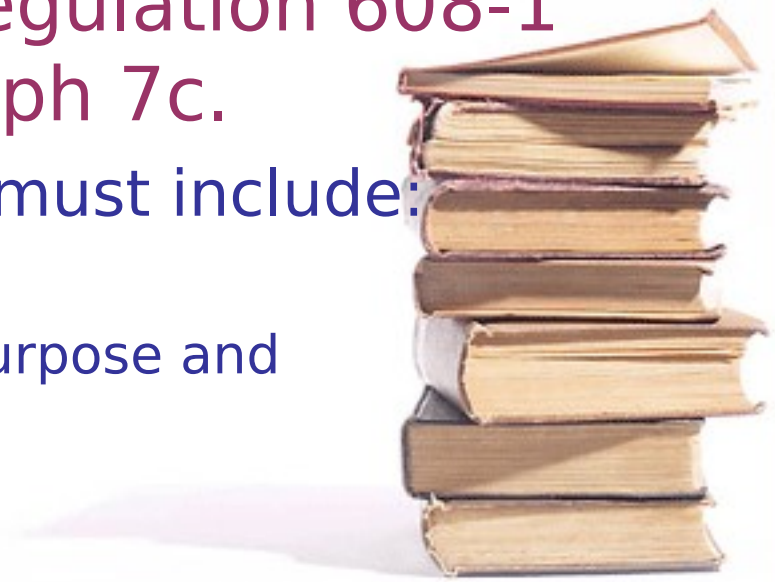
Maintenance of the Account

- Treasurer's Report includes 3 items:
  1. Report memorandum, page 39 in treasurer's handbook
  2. Copy of all bank statements since last report
  3. Copy of all Checkbook Register transactions since last report

Family Readiness Group Informal Fund (Checking Account)

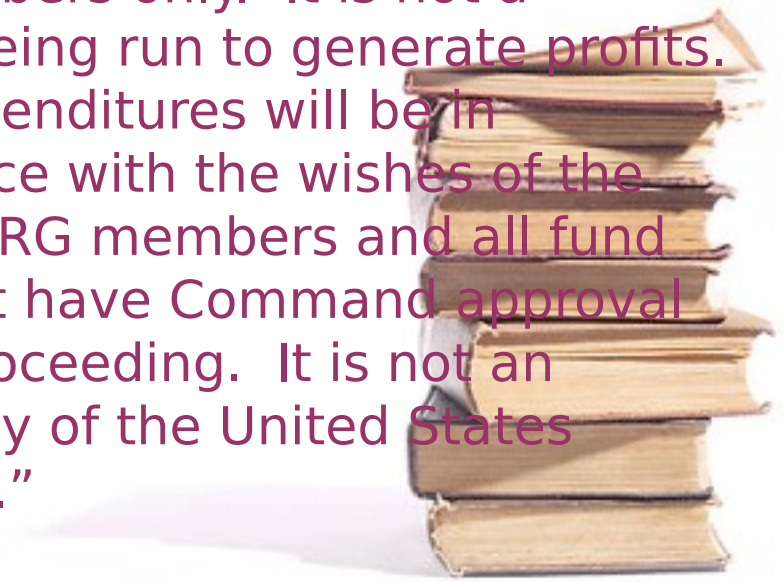
FRG Informal Fund Standard Operating Procedure (SOP)

- FRGs with an informal fund must have an SOP per Army Regulation 608-1 Appendix J, paragraph 7c.
  - At a minimum, SOP must include:
    - FRG Name
    - Description of FRG purpose and function of the fund



Family Readiness Group Informal Fund (Checking Account) FRG Informal Fund(SOP)

- SOP must include:
  - Following statement, "The FRG informal fund is for the benefit of its members only. It is not a business and is not being run to generate profits. FRG expenditures will be in accordance with the wishes of the majority of FRG members and all fund raisers must have Command approval before proceeding. It is not an instrumentality of the United States Government."



Family Readiness Group Informal Fund (Checking Account) FRG Informal Fund(SOP)

- The SOP can be included in the FRG Sanction (Item 6), page 43 in Treasurer Handbook

OR

- The SOP may be completed as a separate document, page 46 in Treasurer Handbook

Family Readiness Group Informal Fund (Checking Account) FRG Informal Fund(SOP)

- Signed by treasurer and alternate treasurer
- Filed in the Unit's Family Readiness Binder and a copy forwarded to the State Family Readiness Office

Family Readiness Group Informal Fund (Checklist)

- √ Authorized by Commander
- √ Cannot exceed $5,000 per calendar year
- √ Must have a valid EIN Number (IRS)
- √ Non-interest bearing account
- √ 2 signers; a treasurer and alternate treasurer (non military)
- √ Must have a FRG Informal Fund SOP
- √ Leadership (Controlled by statutory Volunteer(s)
- √ Limited to fundraising on the installation/armory ("by us – for us")
- √ Subject to audit by the Commander and the State Family Readiness Office

Family Readiness Group Fundraising

- Can be done if there is a specific purpose for the funds (for which Appropriated (military) funds are not authorized).

Family Readiness Group Fundraising

- **Questions to ask prior to fundraising:**
  - Why do we need to raise the money?
  - Will it benefit the entire FRG membership?
  - Does it duplicate other resources within the community?
  - Can we get it somewhere else?
  - Is it an authorized fund raiser according to guidance?
  - Has the commander approved it?

Family Readiness Group Fundraising

- Examples of authorized **FRG** fundraisers include:
  - Bake sales
  - Car washes
  - Fun runs
  - Concession booth at installation/unit events
  - Talent show
  - Opportunity auctions of donated goods and services

  - See page 21 in Treasurer's Handbook

Family Readiness Group Fundraising

- Examples of prohibited **FRG** fundraisers include:
  - Gambling
  - Chain letters and pyramid schemes
  - Door to door solicitations
  - Any activity involving military members in uniform
  - Any activity or product that is dangerous or unduly risky
  - Any activity on private property without proper permission

  - See page 21 in Treasurer's Handbook

Family Readiness Group
<u>WHO</u> Can Fundraise?

- 2 Family Readiness Group Volunteer Categories
  - Statutory
  - Gratuitous
  - What are the differences in the 2 categories?

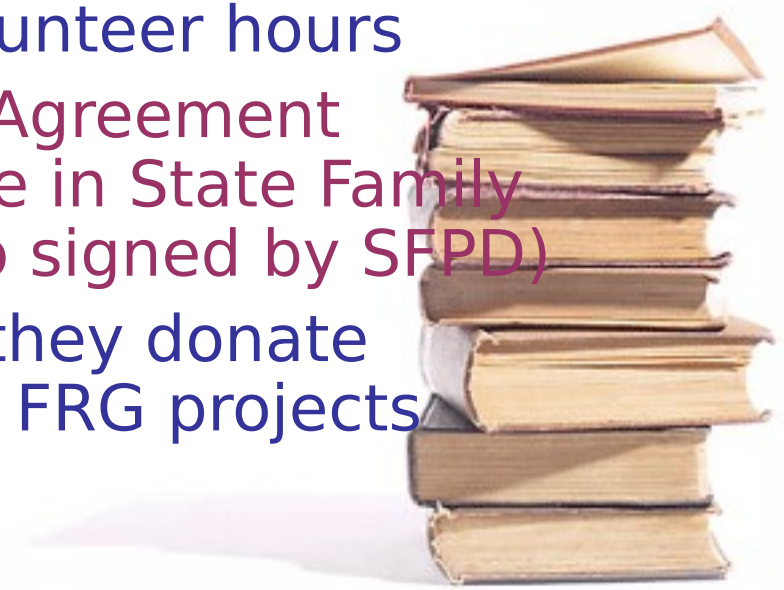
Family Readiness Group WHO Can Fundraise?

- **Statutory** FRG members may only conduct internal fundraising amongst themselves (“by us for us”) which means within the National Guard property and National Guard members and their families.

- **Gratuitous** FRG members may conduct fundraising completely separate from the FRG and unit at any time.

Family Readiness Group
Statutory Volunteers

- **Statutory volunteers** serve in official capacity in direct support of the National Guard Family Program like FRG Lead Volunteers and treasurers.
- Seek credit for their volunteer hours
- Have signed Volunteer Agreement (**DD 2793**) & on file in State Family Readiness Office (also signed by SFPD)
- Agreement states that they donate time and services to FRG projects and activities



Family Readiness Group
Statutory Volunteers

- Recognized as official in matters of **tort claims** & for purposes of **reimbursement** under provision 10, US Code 1588

- Can be reimbursed for incidental expenses

- May be placed on Invitational Travel Authorizations (ITAs)

Family Readiness Group
Gratuitous Volunteers

- **Gratuitous volunteers** have Not signed a volunteer agreement (**DD 2793**)
- Periodically offer support to FRG, but not in an official capacity
- Can engage in fundraising efforts outside of the FRG as long as they DO NOT represent themselves as being connected to the FRG or the military
  - Call themselves "Friends of " **or** "Supporters of" **not** "888th Family Readiness Group"

Family Readiness Group
Gratuitous Volunteers & Fundraising

- No endorsement by the National Guard (military)
- Completely separate from the FRG
- Not controlled by the military or FRG, **but**
  - Subject to laws on reporting of income and potential tax liabilities
- Completely separate account from the FRG
- See page 22 in Treasurer's Handbook

Family Readiness Group

Official FRG vs Informal Organization

Official FRG:

- Consists of Statutory Volunteers
- Sanctioned by commander, endorsed by the military
- Government Entitlements
- Authorized Appropriated Funds for Travel/Training
- Account limited to $5000
- "By us for us" fundraising

- Informal Organization:
- Consists of Gratuitous volunteers
- Not controlled by the military or FRG, no military endorsement
- No $ limit to account, but subject to laws on reporting of income and potential tax liabilities after $5000
- Completely separate from the FRG
- Can fundraise outside of FRG and military
- Separate account from FRG

Family Readiness Group

Donations and Gifts

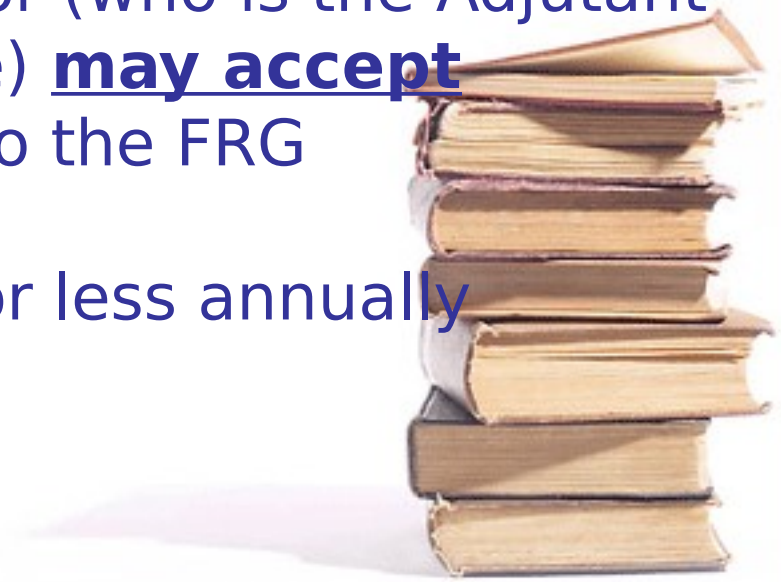
FRGs may **NOT** solicit or accept donations or gifts

Family Readiness Group

Donations and Gifts

However,
Unit commanders in conjunction with the State Family Readiness Director (who is the Adjutant General's representative) **may accept unsolicited** donations to the FRG

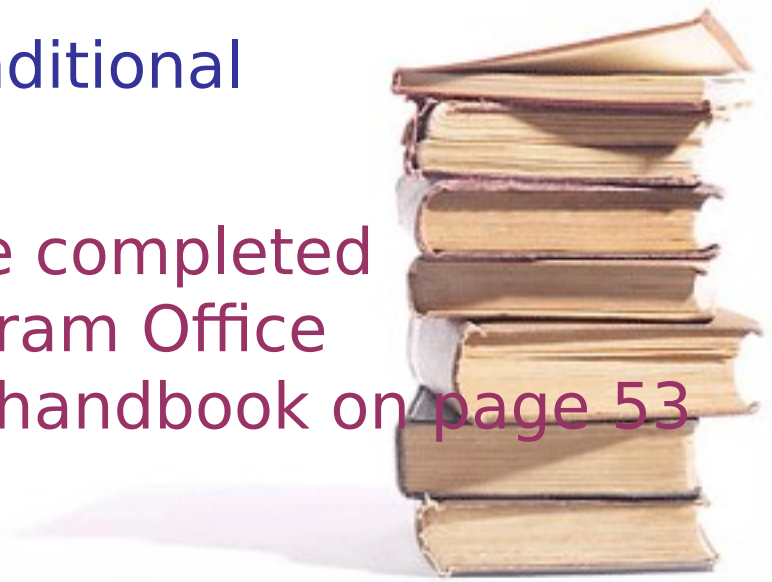
informal fund of $1000 or less annually



Family Readiness Group

Donations and Gifts

- This donation counts & impacts the FRG annual $5000 income cap.
- Donation must be unconditional
- A donation form must be completed
  – get from Family Program Office
  or in treasurer's handbook on page 53



Family Readiness Group

For Questions or Assistance

- If your FRG is considering a fund raising project, do not hesitate to call the State Family Readiness Office with your questions or concerns. In regards to money, it is always best to ask questions first **because**
  - Each situation is different. We are able to research funding guidance and seek legal counsel from our Judge Advocate to help ensure your FRG is in compliance with funding guidance regarding fundraising.

Family Readiness Group

For Questions or Assistance

- Call 1-800-658-3930/605-737-6086 – State Family Readiness Office

- Treasurer's Handbook located on website
  - Includes Treasurer Forms in word for easy use

- Log on to https://sdguard.ngb.army.mil
  - Click on Family Readiness link
  - Click on Family Readiness Groups
  - Click on FRG Treasurer Information

Family Readiness Group

Informal Fund

- Last updated 9/2007